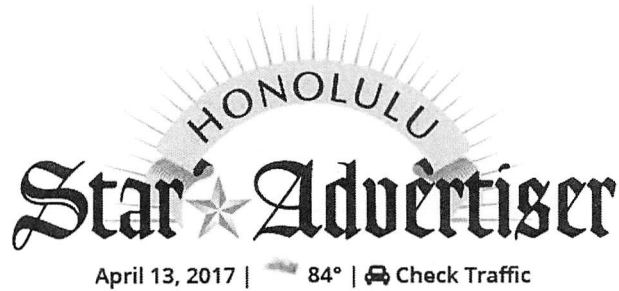


# Exhibit 21

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Kealoha to get \$250,000 to retire as HPD chief



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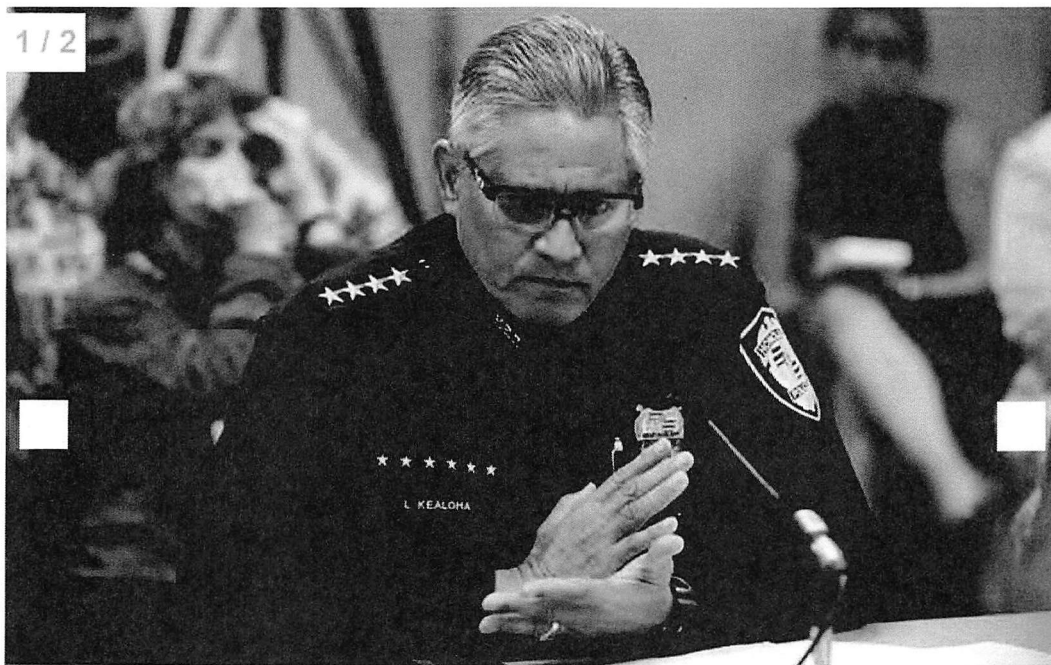
# Kealoha to get \$250,000 to retire as HPD chief

By Gordon Y.K. Pang

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Honolulu Police Chief Louis Kealoha answered questions at a hearing on domestic violence in Hawaii.

The Honolulu Police Commission today agreed to allow Police Chief Louis Kealoha to leave his job with a settlement package worth \$250,000, ending a rocky seven-year

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Kealoha to get \$250,000 to retire as HPD chief

term and marking a new chapter for a Honolulu Police Department that has been engulfed in scandal.

The effective date of the retirement is March 1. Kealoha must return the \$250,000 if he is convicted of a felony. In exchange for the payout, the city is released from claims by the chief arising from the terms and conditions of his job.

In addition to the settlement, Kealoha will receive the standard pension and post-employment health insurance and other benefits that come with having served on the force for 33 years.

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As chief, Kealoha's salary is \$182,088 annually.

Commission Chairman Max Sword told reporters after today's four-hour meeting that besides hiring and firing the chief, the seven-member panel has a duty to do what's best for the people and community of the city.

"The department has been under a dark cloud for the last two years with all this federal investigation and we believe that the police department needs to move on to get out from under that cloud," Sword said. "We also are responsible in my view, and the commission's view, that the morale and welfare of the police department is incumbent on what we do because it affects how they act or how they cover or support the community."

The commission voted 5-1 to approve the agreement. Commission member Loretta Sheehan said she was the lone dissenting vote "because I believe it's expensive, unnecessary and very likely undeserved." Sheehan said that the commission should have conducted a for-cause hearing "to examine the issues that have been raised regarding his leadership and management abilities." The commission could have then made a decision on whether to remove Kealoha, she said.

Commission member Eddie Flores did not attend today's meeting.

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Kealoha's departure comes just as a federal investigation into alleged wrongdoing by the chief, his wife, and others are beginning to come into focus.

A grand jury is looking into the allegations of civil rights abuses and corruption over allegations that Kealoha and his wife, Katherine Kealoha (a deputy city prosecutor), framed her uncle for the theft of the Kealoha's home mailbox in a dispute over family finances.

A retired officer involved in the mailbox case pleaded guilty to conspiracy and four other officers have received target letters from the FBI. FBI agents on Friday raided the Honolulu Prosecutor's Office.

Kealoha announced on Dec. 20 that he had put himself on "restriction of police authority" (ROPA) status, essentially paid leave, after the FBI sent him a letter informing him that he is the target of a criminal investigation. Kealoha had said for months that he would not step down because he had done nothing wrong.

Sword announced on Jan. 6 that the seven-member panel and the chief had reached a tentative agreement for him to retire, but that additional details had yet to be hashed out.

Kealoha was a captain when he first became chief in 2009. He was given a second, five-year term in 2014 that was to have run through Nov. 27, 2019.

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